

From: Christopher Heiser
To: Microsoft ATR
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Subject: comment on proposed MS/DOJ settlement

I remember a conversation that I had with a friend about five years ago. He was talking about how he didn't dislike Microsoft, and that the new operating system of the time (Windows 98) was a real improvement over the previous version. While this friend was in fact an avid fan of the Apple Macintosh, he did not share the typical anti-Microsoft fervor that seems to be the norm for a Mac user. He saw Microsoft as getting progressively better, and thought that objections to the company and/or their software were founded primarily on people who were purists and did not understand the reality of the computer industry as an economic machine.

I argued with him for a few hours as we drove around the Virginia countryside. The gist of my argument was, and still is:

- 1) Microsoft has a monopoly
- 2) Microsoft uses this monopoly to force the entire computer industry to use unstable, poorly-engineered, insecure, and generally inferior software through blatant campaigns of fear, extortion, and bullying
- 3) This is ultimately bad, as sooner or later another company will produce a superior product, and chances are that this product will come from outside the US where Microsoft can exert the greatest influence on its surroundings
- 4) Regardless of the future, it is patently clear to anyone in the industry that Microsoft hampers innovation in a major way, which affects not only the computer industry but in fact the entire American economy

As someone involved in the investment community of Silicon Valley, I can assure you that there is always a major fear of investing in any new company that is directly or indirectly competing with Microsoft. While this may be a reality for entrepreneurs, it does not help matters when the US Department of Justice seems complicit with Microsoft in preserving and extending this monopoly without any regards for the consequences nor punishments for flagrant violations of US antitrust law.

The United States version of free market economy must deal with companies that abuse their monopoly power with severe and meaningful penalties. Any settlement that does not force Microsoft to pay dearly for its transgressions or does not make a significant effort to prevent future transgressions with powerful laws is worthless.

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